



USAID | **TAJIKISTAN**
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SUCCESS STORY

USAID Helps to Gain Momentum

A local microfinance institution gains momentum with support from USAID.



One of HUMO's primary customers. Photo: ACDI/VOCA

"Humo has operated just for a year. However, thanks to the technical assistance and financial aid of USAID's program CAMFA, it is now considered one of the leading MFIs in Tajikistan."

- Mavsuda Vaisova, Executive Director of Humo

Challenge

The majority of Tajikistan's population lives below the poverty line, making it the poorest country in Central Asia. Economy remains dependent on workers' remittances, leaving it vulnerable to fluctuations in the international economy. Most banks do not consider the rural poor as potential clients because they often are poor and landless women, farmers, and female-headed households.

Initiative

To expand the access to credits for Tajikistan's rural population, USAID's microfinance support project CAMFA, implemented by ACDI/VOCA, is helping to strengthen microfinance institutions working with rural clients. One of such microfinance institutions is Humo, created in March 2005. USAID's program helped this microfinance institution to develop its strategic business plan, strengthen financial forecasting, enhance board leadership, and introduce a new incentive system. With USAID support, Humo's executive director and finance manager gained the knowledge and experience about best practices from other regional microfinance organizations. As a result, Humo secured its first commercial loan of \$200,000 from a regional wholesale lending institution Frontiers.

"We have developed better systems and internal procedures, received funding for staff training and to purchase new accounting and MIS systems," says Executive Director of Humo Mavsuda Vaisova. "During a very short period of eight months, USAID's program has provided us with more significant technical support than our other international consultants."

Results

Because of the USAID-supported improvements, Humo increased the productivity of its loan officer by 300 percent and reduced client delinquencies the same amount. It currently has 3,000 clients and a portfolio of \$500,000. "Thanks to the technical assistance and financial aid of USAID, HUMO is now considered one of the leading MFIs in Tajikistan," says Vaisova. In addition to microloans to small enterprises, HUMO provides training to its borrowers to make business plans and simple calculations of income and expenses. One of its long-term goals is to become a deposit-taking institution that would allow this microfinance institution to create deposit accounts for the very poor.